Investigation of irregularities in companies

†1451. SHRI RAM JETHMALANI:
SHRI RAJIV RANJAN SINGH "LALAN":

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) Whether it is fact that the Department of Company Affairs is investigating such companies as are being managed by the brokers working in the share market and have flouted company laws;

(b) If so, the names of such companies and the persons managing them; and

(c) The total amount of money involved in the scam as a result of irregularities found in these companies?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITELY): (a) to (c) Consequent to receiving SEBI's Preliminary Investigation Report, inspections under section 209A of the Companies Act, 1956 have been ordered in respect of 98 Companies. These Companies may, or may not, have been managed by brokers and may, or may not, have committed financial irregularities.

Setting up of centre for corporate excellence

1452. SHRI RAMACHANDRA KHUNTIA: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have decided to set-up a Centre for Corporate Excellence;

(b) if so, the details thereof; and

(c) the fresh steps taken to make standards of Corporate Governance in the country to compare favourably with international practices?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY): (a) Yes, Sir.

(b) Details have not been worked out yet.

(c) The companies (Amendment) Act, 2000 has taken into consideration the latest measures on Corporate Governance which are in tune with the International practices prevalent at present. In order to promote better Corporate Governance, a "National Award for Excellence in Corporate Governance" has also been instituted recently.

†Original notice of the question was reeceived in Hindi.